SAVINGS AND INVESTMENT BEHAVIOUR OF WOMEN: AN EXPLORATORY STUDY

SYNOPSIS

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INTRODUCTION

The economic wealth of a nation depends upon the capital formation which increases investment and the quality of life of citizens. Competence of the citizens includes being financial contributors to the G.D.P. of the nation, tax system, per capita income, saving habits and investment behaviour of individuals. Investment culture among citizen of a country is an essential precondition for capital formation and speedy growth of an economy. Development of a nation is not possible without capital formation. Capital formation involves three steps; the first step deals with the increases in the volume of domestic savings of the individuals by the employment opportunities increases and proper utilization of existing resources with efficiently employed; second step deals with mobilization of the savings through financial institution and; the third step deals with investment of savings in higher profitable and efficient manner. Therefore, the Government and non- governmental agencies should take care in bringing awareness and educating the rural population to save some portion of their earnings and invest prudently(**Mohd and Verma, 2018)**

The capital market is an important basic of the financial system. It is a market which deals in long term funds both Equity and Debts. It mainly deals in financial assets. The financial assets economy comprises shares, debentures, bonds, insurance policies, pension funds, provident funds, mutual funds, fixed deposits and derivatives. A strong capital market is an indication of strong and develop nation. The Indian stock exchanges, as they are function smoothly, well-regulated and it is an indication of healthy capital market. Because Indian economy is not a capitalistic economy so stock exchanges provides a better leverage to Indian capital market and it helps women investors to maximize their returns. India has multi stock exchange system, govt. policies in the country and political changes affect the trends of capital market.

Women's economic opportunities are closely linked with countries' moves to "knowledge- driven economic structures with higher levels of human capital and more creative class occupations**" (Florida, 2010).** Women's economic opportunity is greater in more open and tolerant nations. There is a close relationship between women's economic opportunities and the Global Creativity Index. If India strengthens and increases its measures to include women in all aspects of national growth through solidification of women's access to equality of outcomes, more Indian women are likely to enter Creative Class occupations. According to Understanding the Creative Economy

in India's Cities report, The Creative Class is fundamentally responsible for producing innovative concepts and designs that produce economic growth. A talented, creative, and well-informed workforce nurtures competitive advantage, initiates innovation, and encourages. Thus, increasing India's creative class through improved gender equity will positively affect India's economic advancement **(Segal, 2013)**

Savings

The concept of saving plays an important role in an economic analysis. Saving is defined as the difference between the income and consumption. The term saving means the activity by which the claims to resources, which might be put to the current consumption are set aside and so become available for other purposes. Saving is the excess of income over expenditure**(Orcutt, 1950)**

Sources of Savings for An Economy

Saving is considered the first step towards investment and capital formation in the country. There is a close relationship between economic growth and capital appreciation. The level of income determines savings, and a high level of savings helps the economy to develop on a continuous growth path. More savings creates an investment opportunity that promotes the production capacity in the country. If this process continues, the economy moves at high growth rate. There are two broad sources of savings in any economy.

- Domestic Savings
- Foreign Savings

Domestic savings are mobilized within the economy, whereas foreign savings is the savings mobilized from the outside economy in another country. Savings of any economy is expressed regarding GDSs. Domestic savings are not the only way for a country to invest in new capital and the other way is an investment by foreigners.

The Composition of Gross Domestic Savings (GDSs)

The ratio of saving and investments is significant for the economic health of the country. The increasing rate of saving and investments shows that domestic savings have financed Indian economic growth predominantly. GDS is the difference between the Gross Domestic Product (GDP) and final consumption. The saved money either is kept with the public or is invested back. The secular uptrend in domestic growth is associated with the consistent trends of increasing domestic savings and investments. GDS rate was 9.6 per

cent in 1950s, and it was 35 per cent during 2011-2012, it shows that there was an increasing trend in gross domestic savings as well as over the same period, domestic investment rate has also increased continuously from 10.8 per cent in 1950s to close to 35 per cent by 2011-12**(GOI, 2011)** While preparing the estimates of saving and investments to know about the gross domestic savings, the whole economy has been divided into three broad sectors such as

- Private Corporate Sector
- Public Sector
- Household Sector

Concept of Investment

Investment is considered a major stimulus of growth in agriculture and other sectors of the economy. It is requisite both to maintain the existing stock of capital and enlarge that stock. When savings or the surplus fund is employed with an aim of gaining additional income or growth in value, it is called investment. As a matter of fact, savings lose in value due to inflation or rise in price leading to depreciation of the savings. An investment can be defined as the commitment of funds to one or more assets that will be held over some future time period. Investment is the employment of funds with aim of achieving additional income or growth in value. The essential quality of an investment is that it involves waiting for future. We invest to improve our fortunes, which for general purposes can be defined as monetary wealth both current and future. Consuming everything today and saving nothing for the future is foolish. Not every day is a bed of roses, you never know what your future has in store for you.

A financial investment is an asset that you put money into with the hope that it will grow or appreciate into a larger sum of money. The idea is that you can later sell it at a higher price or earn money on it while you own it. You may be looking to grow something over the next year, such as saving up for a car, or over the next 30 years, such as saving for retirement.

Savings & Investment Habits

It is the ability and activity toward finance. More specifically it refers to a set of thoughts and actions which a person follows while he/she take decision regarding savings and investment. Also, it is a specific quality and intellectual of an individual which affect their financial decisions as a whole.

Finance

Finance is a wide term which includes two related activities. One of the activities is management of cash and other is the steps to be taken to acquire the required funds. All individuals, business houses and government require funds for operating their activities. The finance is backbone of everyone whether individual, business or government. In view of this it is divided into three sub-heads i.e., personal finance, corporate finance and public finance**(Mak and Ip, 2017)** These sub heads relate to the activities, like acquiring good investments, having credit at low cost, distributing funds for liabilities, and banking. These categories have their own specific considerations. Individuals require allocation of their funds for their retirement in such assets for long term during their working years which will provide those funds after retirement. These types of management decisions taken by the individuals fall under personal finance. A large company is to decide about the raising of additional funds whether by the issue of shares/debentures/bonds. The firms may be advised by the investment banks on the marketing of securities. The company is to take decision regarding financing of one project out of the different projects available for the growth of company. These types of decisions fall under corporate finance. In case of public finance, a government body has much larger social responsibilities in addition to managing money for its daily operations. Its objectives include attaining an equitable distribution of income for its people and framing policies which lead to a stable economy. These three categories are explained as under:

- Personal Finance
- Corporate Finance
- Public Finance

Behavioural Finance

In the financial world, psychology experts view that people are often behaving in strange ways when determining where money is involved. Psychologists have found that economic decisions are frequently taken in an apparently irrational way. Investors can make bad investment choices through mental mistakes and intense emotions. Behavioral finance is a relatively new financing paradigm that aims at supplementing the standard financial theories by introducing behavioral aspects into decision-making**(Mak and Ip, 2017)**

Financial Literacy

Financial literacy is the ability to understand finance. More specifically it refers to the set of skills and knowledge that allows an individual to make informed and affective decision through their understanding of finance. Raising financial literacy supports inclusion and enhances the wellbeing of the community.

Investment Behaviour

Investment behaviour is defined as how the investors predict, evaluate, judge, analyze and review the procedure for decision making of investment which includes investment pattern, value of money, securities analysis, portfolio management, investment psychology and information gathering system or mechanism. Every investor wants to be a rational smart investor. All investors take up to investment from the view of higher rate of return with minimum risk. This process consists of why they invest, where and how they get information, what factors they use to evaluate, who influence them on choice of investment and how they act after investment**(Steelyana W, 2012)**

Factors Influencing Savings and Investments Decisions

Today a wide variety of investments options is available, but these can be classified based on safety, liquidity, risk, and return. Every household has different financial objectives with differing priorities, which influence them to select the investment choice based on their financial objectives. The following are the most critical factors, which affect the savings and investment decisions of the household.

- Saving and Investment Objective
- Saving and Investment Time Horizon
- Risk perception and Risk Tolerance.
- Expected Return for the Given Risk.
- Financial Knowledge
- Availability of Investment Products
- Market Sentiments
- Education and marriage for children
- Past Experience
- Availability of Money to Invest
- Legal Safeguard and Stable Currency

Investment Pattern

Investment pattern refers to regular sequences of steps and action followed by the rational investor. Savings of individuals are invested in the shares, debentures of a particular company which directly participates in the economic development by providing the risk in capital. Likewise, the insured person paid premium towards life insurance indirectly participates in the capital formation in the economy as the insurer supports development activity with this money directly.

Market perception are different for different investors. Every investor has different strategy of purchasing and selling stock of financial securities. Investors manage and prepare portfolio of securities-with own perception, prediction, rationality. This depends different sources of information in financial market

Working Women

In the absence of a proper definition of Working Women to be found, the researcher has based the entire study on the following definition of Working Women – All Women who go out of their houses and are employed in some organized sector and who earn money in return for their physical and/or intellectual contribution towards the respective organization.

"Working women refers to women who earn a salary, wages, or other income outside the home. Women with paying employment are considered as working women".www.youdictionary.com **(Asandimitra, Aji and Kautsar, 2019)**

The WEOI, an index of women's progress on economic advancement, was introduced in 2006 **(EIU, 2012)**. It has a somewhat different orientation than the other measures in that it captures gender discrimination in paid economic activities as well as the women's ease of doing business. It involves five categories: labor policy and practice, access to finance, education and training, women's legal and social status, and the general business environment, with a total of 29 indicators. The rankings are constructed from an average across the indicators. Its values range from 0 to 100, with a higher number implying more equal gender relations. Like the GDI and GII, this index allows compensation of female advantage with female disadvantage, thus making this index a measure of women's opportunity compared to men **(Stotsky and Zaman, 2016)**

Women are making progress in closing economic and political gaps, as well, though they remain significant. Certain regions of the world continue to lag in indicators of gender

equality and women's advancement, especially South Asia, sub-Saharan Africa and the Middle East and Central Asia. Advanced countries also tend to present better outcomes, though emerging countries have made significant strides in key education and health outcomes, and in some areas, such as labor force participation or political participation **(Stotskyet al., 2016)**

Women have traditionally been considered home makers and their role in our society has been home making rather than investment or financial decision making. But with the changing scenario and revived working women force. India seems to be marching towards a new era. Nowadays in our economy the number of women in workforce has increased significantly.

Women Investors Behaviour

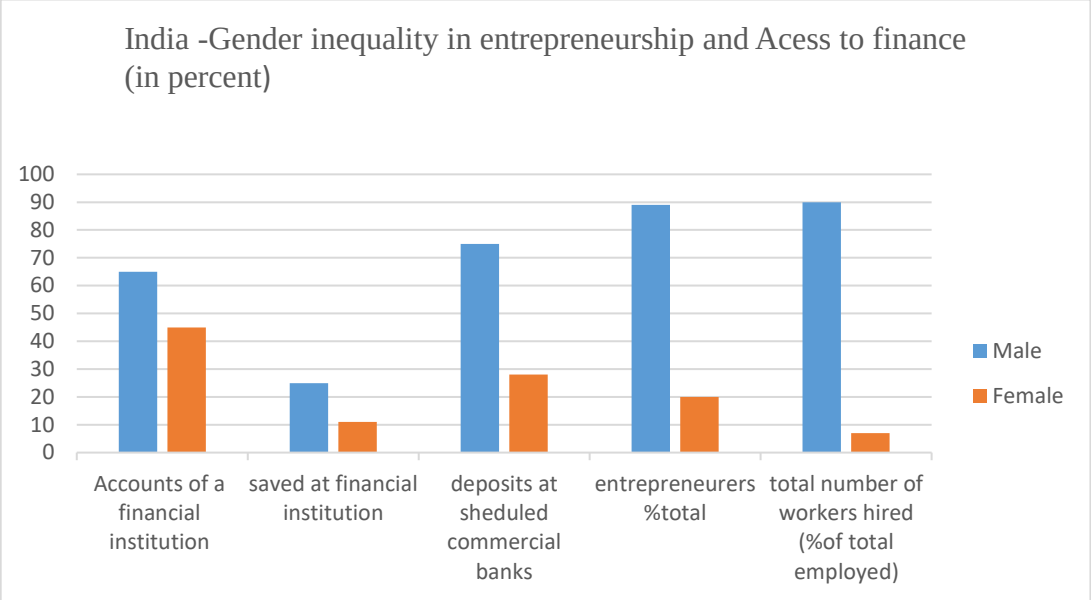
Most of the women see themselves as savers rather than investors and prefer to invest in products that offer guaranteed returns. Some investment avenues are risky, less risky and some are risk free. The investors choose investment Avenue according to their want, risk and attitude capacity and accepted return. When the investors want high return, they have to choose the risky investment avenue. Compared to females, males prefer to invest in investment avenues that are risky. Women's income is always considered as a complementary income within the family. But growing importance of income earned by women raises serious consideration. Women are more involved than ever in their household's investment and financial decision making. But there are many factors like marital status, education, and age etc. which affect investment decision of women. This study talks about the relation of different factors and investment decision of working women. Women are highly confident in their ability to save and the majority of women say they have good savings habits, but one in five they don't save. Women and men report similar attitude and behaviours when it comes to saving but women are more likely to say they save before they spend. Female entrepreneurs are considered important for economic development and make a significant contribution to the Indian economy **(IFC, 2014)**. Despite the economic importance of female entrepreneurs, their number still lags behind that of male entrepreneurs **(Figure 1)**. Women entrepreneurs comprise about 10 percent of the total number of entrepreneurs in India, and they are largely skewed towards smaller sized firms (98 percent of women-owned businesses are micro-enterprises) with approximately 90 percent of them operating in the informal sector. Financial constraints and limited access to formal finance is the key barrier to growth of

women-owned enterprises, leaving them to rely on informal sources of finance (over 90 percent). Although constraints to financial access is shown to play an important role for both male and female entrepreneurs, the level of financial exclusion of females (in comparison to males is higher due to a number of demand and supply side constraints specific to women entrepreneur's ability to access finance **(Gonzales et al. 2015).** On the demand side, limited awareness and social restrictions around inheritance and land ownership rights, as well as limited financial awareness turn female entrepreneurs towards finance from informal sources. Consequently, on the supply side, women in India rarely own property that they might use as collateral for borrowed start-up capital. Banks generally consider women-owned enterprises as a high-risk sub-segment, as these enterprises operate mostly in the informal sector and are usually micro in scale.**(Khera, 2018)**

"Women perform 66 percent of the world's work, produce 50 percent of the food, but earn 10 percent of the income and own 1 percent of the property" **(World Bank 2011).**

Women constitute almost half of the total population in the world. But their representation in gainful employment is comparatively low. In most countries, average earnings of women are lower than those of men. Economic gender inequality disparages Indian women and needlessly squanders almost half of India's human capital stock. Lack of formal and substantive equality for Indian women and girls proves a substantial opportunity cost for India. Although many Indian laws support equal employment opportunities — According to the government of India, women and men are to be paid equal wages for equal work and enjoy equal employment opportunities — and land ownership rights for some women, lack of legal supports for women in the formal workforce and (most notably) in the informal workforce, produce obstacles between women and substantive, practiced land ownership and create unequal economic consequences that greatly disadvantage women's access to prosperity and diminish India's overall economic potential.

Figure 1: India -Gender inequality in entrepreneurship and Access to finance (in percent)



Sources: World Bank, Sixth Economic Census (2014)

Financial instruments

"Financial instrument is any contract that gives rise to financial assets of one entity and a financial liability or equity instrument of another entity". (ACCA)

International accounting standards IAS 32 and 39 defines a financial instrument as "Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of equity".

Financial Investment avenues

Investment avenues are the different ways that an individual can invest his money. Investors should always have three types of financial investment.

- Liquid investments such as savings account.
- Liquid funds – regular income investments like; fixed deposits, bonds, and debentures.
- Growth investments like; equity based mutual fund shares, and insurance.**(Alagarsamy, 2020)**

Bank and Post Office Investment Avenue

Bank deposits are very popular and safe investment avenue. Banks are subject to control and regulated by the Reserve Bank of India. They offer various types of deposits, depending on the need of the customers. Bank deposits are preferred more for their liquidity and safety than for the returns there on. The commercial banks are introduced different types of deposit accounts to attract the public. Bank deposits are liquid in nature. They are non-marketable financial assets. Different types of bank deposits are maintained by commercial banks are**; a) Current Account; b) Savings Deposit Account; and c) Fixed Deposit Account.** Fixed Deposits in banks are for those investors, who have low risk appetite. Bank FDs is likely to be lower than money market fund returns. Deposits in banks are very safe because of the regulations of RBI and the guarantee provided by the deposit insurance corporation. The interest rate on fixed deposits varies with term of the deposits; Bank deposits enjoy exceptionally high liquidity.

Tax Savings Schemes

The Government of India has lunched Income Tax Saving Schemes including National Savings Certificate (NSC) Public Provident Fund (PPF) Post office Scheme (POS) Besides, Equity linked savings scheme (ELSS) offered by Mutual Funds and infrastructure Bonds of Financial Institutions / Banks also offer tax benefit. The incomes from the investment are exempt from income tax and the investments in these schemes are deductible subject to certain limits from the taxable income.

Share Market Investment Avenue

A stock market is a public market for the trading of company shares at an agreed price; these are securities listed on a stock exchange. The shares are listed and traded on stock exchanges which facilitate the buying and selling of stocks in the secondary market. The prime stock exchanges in India are The Stock Exchange Mumbai, known as BSE and the national Stock Exchange known as NSE. The purpose of a stock exchange is to facilitate the trading of securities between buyers and sellers, thus providing a marketplace. Investing in equities is riskier and definitely demands more time than other investments.

Mutual Funds Investment Avenue

A Mutual Fund (henceforth MF) pools money from many investors and invests the money in stock, bonds, short-term money-market instruments, other securities or assets,

or 18 some combination of these investments. The combined holdings the mutual fund owns are known as its portfolio. Mutual Funds are one of the most preferred investment alternatives for small investors as they offer an opportunity to invest in diversified, professionally managed portfolios at a relatively low cost. A Mutual Fund is an investment tool that allows small investors access to a well- diversified portfolio of equities, bonds and other securities. The money thus collected is then invested in capital market instruments such as shares, Debentures and other securities.

Bonds Investment Avenue

A bond is a loan given by the buyer to the issuer of the instrument, in return for interest. Bonds can be issued by companies, financial institutions, or even the Government. The buyer receives interest income from the seller and the par value of the bond is receivable by the buyer on the maturity date which is specified. Bonds are senior securities in a firm. They represent a promise by a company to the bondholder to pay a specified rate of interest during a stated time period annually and the 24 return of the principal sum on the date of maturity. Date of maturity is also called the date of retirement of a bond. Bonds are the important sources of funds to the corporate sectors. They are usually an issue of long-term debt of the corporate organizations.

Gold and Silver Investment Avenue

In India, real assets such as gold and silver find a place in the portfolio of the investors in rural and semi-urban areas. Generally, gold is the primary form of savings to housewives. These real assets enable the investors to meet any emergent needs since they can be easily converted into cash without monetary loss. The bullion offers investment opportunity in the form of gold, silver, art objects (paintings, antiques), precious stones and other metals (precious objects), specific categories of metals are traded in the metal exchange. It has been absurd that on several occasions, when stock market failed, the gold market provided a return on investments. In Bullion markets, the precious metals like gold and silver had been a safe heave for Indian Investors since ages.

Real Estate Investment Avenue

Real estate has also become an attractive form of investment. Like international investment, real estate plays an important role in diversified portfolios. The term real estate includes agricultural land, semi-urban land, commercial property, a resort home and a second house. Real estate also made when the expected returns are very attractive.

Buying property is an equally strenuous investment decision. Real estate investment is often linked with the future development plans of the location. There are more ways than ever before to profit from real estate investment.

Himachal Pradesh- An Overview

Himachal Pradesh is one the hilly state of India which came into existence as a centrally administered territory on 15th April, 1948 with the merger of 30 former small princely hill states. 1951, it become a part 'C' state under a government with a 36 members legislative assembly and three members cabinet. On January 25 1971, it became a full-fledged 18th state of India.

Table 1: Himachal Pradesh at a Glance

Area (sq. km)	55673
Districts	12
Location	Northern India
Per capital income	Rs.146073(for the year of 2016-17)
Population	6865000
Literacy rate	83.78% for 2017

Source: NCAER Report 2017

Himachal Pradesh is one of the four most progressive states in India. A comparison of the state of H.P. with India as a whole, in terms of indicators of women's empowerment, was based primarily on the Second National Family Health Survey (1998-1999) (NFHS-2) more than 80%of women who are, or were once, married aged 15-49 years have regular exposure to some form of media in H.P. further with a low incidence domestic violence is not a major issue in H.P. participation in women's organizations generates awareness of various development programs. Thus, in H.P. women are relatively strongly empowered, exercise this power in decision making at various levels. Education and health facilities in the states are satisfactory, with at least one primary school and one health center in each village. People in the state have a relatively high standard of living with most of their owning more than one modern household asset such as radio, fans, television, refrigerators.

Himachal Pradesh is one of the states in India which is located in northern India. It has its border with Jammu and Kashmir on the north, Punjab on the west, Haryana on the

south west, Uttarakhand on the south east and by the Tibet autonomous region on the east.

The total population of Himachal Pradesh is 6,864,602 which include 3,481,873 males and 3,382,729 females as per the **census of India (2011)**

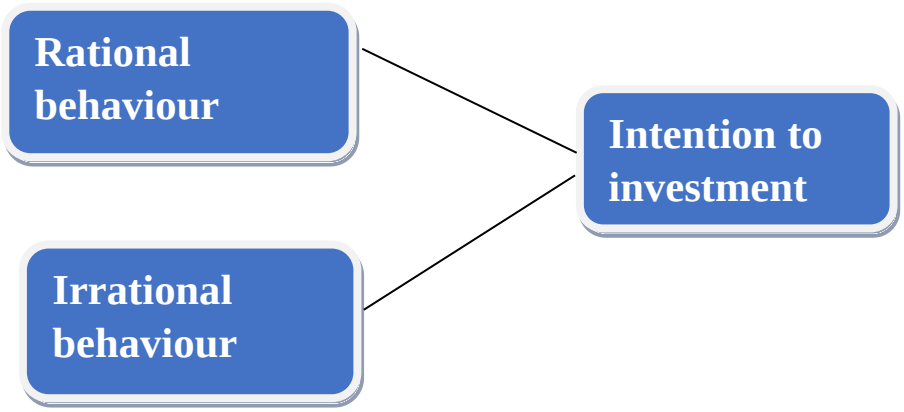
Conceptual Framework

The specific model will propose for which the structural model will be conducted and an analysis shall be done to measure the hypothetical model for the study. The model briefs the theoretical perspectives of each dimension such as Preference, Pattern, Savings, and Factors towards Investment Decisions among the women will explained for more clear understanding of the study.

Proposed model on intention to investment

Intention to invest is an indicator of the individuals to perform a given behaviour. It is based on attitude toward the behaviour, subjective norm, a perceived and behavioural control. The dependent variable "intention to invest" is identified and named after careful study of earlier research in the area of investment behaviour (Philmore Alleyne &Tracey Broome 2010) and Theory of Planned Behaviour (Icek Ajzen 1991).

Figure 2: Theory of Planned Behaviour



Source: (Chen and Yang, 2019)

Rational behaviour

According to the theory of planned behaviour (TPB Ajzen 1991) have been found the set of five independent variables have been attained rational behaviour and named as self-efficacy, perceived return, perceived risk, peer influence and advisor influence.

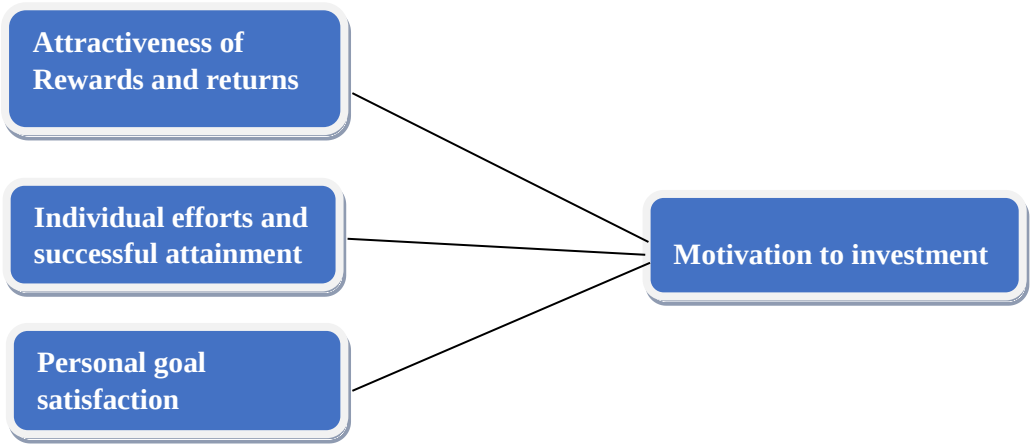
Irrational behaviour

Apart from the factors under theory of planned behaviour the individual investors are also influenced by various behavioural traits. Those behavioural biases will identify through exploratory factor analysis and termed as irrational behavioural factors and named on the basis of cognitive and emotional factors of behavioural finance. Such as: - overconfidence, anchoring, regret aversion etc.

Proposed model on motivation to investment

Motivation to invest is a willingness indicator of the individual strength of a tendency to act in ascertain way depends on the strength of an expectation that the act will be followed by a given outcomes and on the attractiveness of that outcome to the individual **(victor varoom expectancy theory)**.it is based on individual efforts, individual performance, rewards and returns, individual goal. According to this theory motivation is a function of valence, instrumentality, and expectancy (M=V*I*E)

Figure 3: Victor Varoom Expectancy Theory

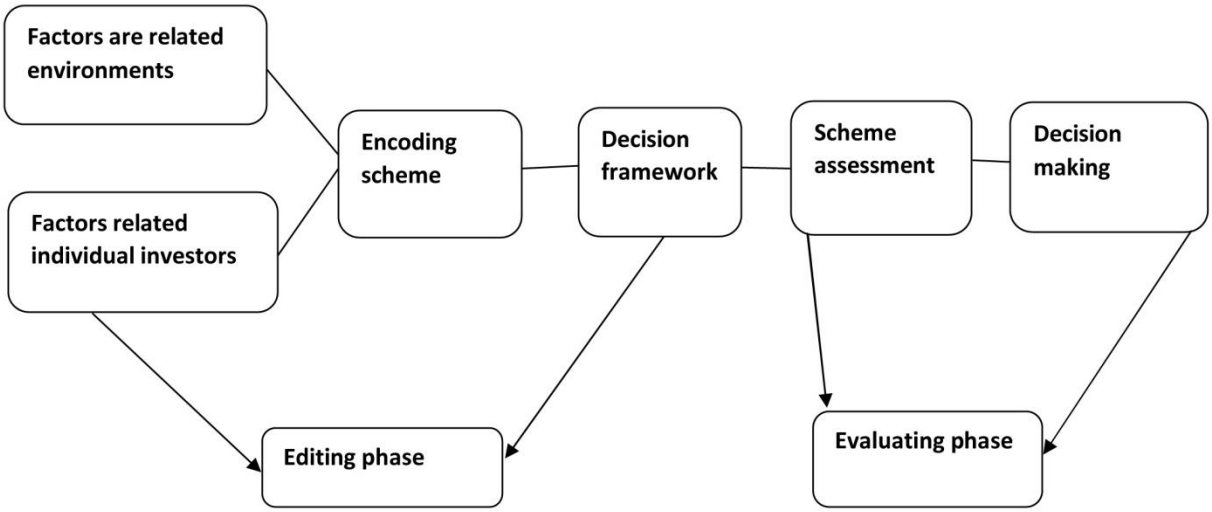

Attractiveness of Rewards and returns
Individual efforts and successful attainment
Personal goal satisfaction
Motivation to investment

Source: (Hunt and Hill, 1969)

Investment decision process

prospect theory is the most developed theory in behavioural finance (Kahneman D, Tversky 1979). Three elements to prospect theory; (1) perceived probabilities are subject to bias; (2) investors are more concerned about gains and losses than levels of wealth; (3) investors feel losses more than gains.

Figure 4: investment decision process based on prospect theory (Kahneman D, Tversky 1979)



Source; (Whyte, 1993)

LITERATURE REVIEW

Behavioural finance is a new emerging science that studies the irrational behaviour of the people. **Geetha and Ramesh, (2011)** conducted a study on people's preferences in investment behaviour. The study illustrates that all the age groups give more important to invest in Insurance, NSC, PPF and bank deposit. Income level of a respondent is an important factor which affects portfolio of the respondent. Study concluded that respondents are medium aware about various investment choices but they do not know aware about stock market, equity, bond and debenture.

Jisha and Mathi Assistant Professor, (2017) highlighted the perception of investment pattern among urban working women and also studied the behavioural pattern of investment among urban women employee and analysis the factor influencing the savings. The research identified the relationship between the factors influencing the level of awareness of various investment and factors influencing the benefits. Investors describe safety of funds as their priority for choosing an investment. Author has suggested that government should provide more investor protection.

Babalola, (2009) in investigated the influence of role of psychological capital on women entrepreneurial innovative behaviour. It was revealed that women with high self-efficacy and internal locus of control scored higher on entrepreneurial innovative behaviour than women with low self-efficacy and external locus of control. The study identified that it was also a significant relationship between highly educated women and lowly educated women. Women are encouraged to belief in themselves while their acquisition of higher education will provide impetus for growth and achievement in entrepreneurial innovative activities.

Bhushan, (2014) conducted a study on gender differences in investment behaviour among employees. This research was analyzed gender differences in investment behaviour and satisfaction level towards various investment instruments in different universities. Study revealed that 50% males and 27.3% females are satisfied with their investments made in market investments. Thus, males are more satisfied than females as far as investment in market investments is concerned. The study concluded that employees working in various universities of Himachal Pradesh invest their money in all investment avenues available to them. Significant gender differences occur in investment preferences for health insurance, fixed deposits and market investments.

Lewellen *et al., (2015*) in his paper "Pattern of investment strategy and behaviour among individual investors" Researcher explored empirically the matter of the portfolio decision processes of the individual equity investor. Further, it was found that the rationale for the education and occupation influences detected for females is more transparent; presumably, greater education should enhance analytical prowess and encourage a more independent decision mode, as should the exposure to the demands of commercial life on the part of females who are not exclusively housewives.

Kashyap *et al., (*2019) focused on gender differences in selection of investment avenues. The study highlighted the key areas of gender differences in the selection of investment avenues in a very substantive manner and knowing the various investment avenues available to household investors and the factors influencing investment decision making and also the significant differences in factor influencing decision making with respect to gender. The study concluded the awareness level of the investors about the various investment avenues available study observed that males were largely inclined for high-risk investment avenues, whereas females were more attracted towards the traditional investment avenues. The comparative analysis found that the male respondents were more interested towards real estate and the female respondents were active towards bank fixed deposits. Male investors preferred growth and income component, whereas female investors were inclined for long term growth component and safety aspect of investment.

Nagajeyakumaran and Rathirani, (2017) studied the investment awareness and preferences of working women. It was focused on awareness and preferences of working women. it is research concluded that awareness level of working women is not significantly related to age, occupation and educational qualifications. The investment preference order of the respondents indicated towards secured investment attitude. Bank deposits and gold were popular investment avenues for majority of the investors. The author explained while investing money; working women emphasize more on safety and liquidity rather than higher return.

Mohd and Verma, (2018) studied the Savings and investment pattern of rural households in Himachal Pradesh. In their study identified the different reasons of savings and investment, awareness level and association between demographic factors and awareness level among rural households. The rural households are not coming accelerative to invest their savings and investment due to lack of knowledge of these avenues to manage their investment portfolio to maximize their return and to minimize

risk. They consider the traditional saving and investment avenues as only source of income; interest on such avenues is considered an appreciation on the amount they have deposited in such avenues. On the other hand, bank deposits life insurance and post office are most preferred avenues of savings and investment. It was revealed the awareness about other avenues of investment such as PPF, Mutual funds, and industrial securities and units of UTI is very less. Safety and security are two main reasons for preferring bank deposits and life insurance for investment of their savings.

Verma, (2007) studied the savings, investment and growth in India. The research was broadly considered savings, investment and economic growth for India using annual time series data for the period 1950/51 to 2003/04. The empirical results show that the null hypothesis of unit root cannot be rejected for gross domestic product. Moreover, the results show that the most significant structural breaks over the last five decades correspond to the wars, regime change and the nationalization of the banks. the study also finds that saving unambiguously determines investment in both the short and long runs. The paper does not suggest that Indian policy makers should deemphasize investment, but rather that equal attention should be paid to the view which regards savings and investment as a consequence of higher growth, not the primary cause.

Prasad, Shollapur and Patted,(2014) focused on Indian women investors. In their study identified whether the human emotions of greed, fear, love, and disbelief influence the decision-making process of women investors considering investment opportunities in Indian stock market. It was revealed that these emotions block the logic and rationality of investors, affect their prospects of generating wealth, cause financial distress, and further deteriorate their emotional stability. Hence, there is a need to develop emotional stability among investors. The investors should recognize that there is some degree of risk associated with every investment.

Asandimitra, Aji and Kautsar, (2019) studied the financial behaviour of working women in investment decision making. Measures the level of financial literacy of working women, to describe assets allocation, as well as the time and profit in investment. This research paper revealed that behaviour and preference of investment done by working women is that majority of them have thought about investment plan and most of the respondents think that everyone can get profitable investment if they do financial planning and saving/investment, interested in property investment. Motivating working women in doing investment is themselves, like retirement planning and family

security reason. it was noted that working women have high financial literacy which is indicated by their discipline in doing the investment of their excess money, thus they have control over their finances and believe to get investment profit they should do financial planning.

Research Gap Identification

From the extensive review of literature, it has been depicted that people are investing in less risky and traditional investment avenues. Saving is an important factor of economic development. Savings increases the capital formation. This can be creating a strong capital market of an economy to as a result developing economy convert into developed economy. So, creating awareness about saving is inevitable in today's economic environment. Most of the studies reviewed have mainly covered the aspects at macro level, and there are very few studies covering the issue of women investors' behaviour, preferences, awareness and education of investment at micro level. However, no study is made on the General women investor's behaviour pertaining to their expectations and satisfaction on various investments. From the above reviews, the researcher identifies this research gap and considers this research problem. This observation induces the researcher to conduct a research study on the **behaviour of women investors** in **Himachal Pradesh** relating to the expectations and satisfaction on their various investments and savings. Thus, the research topic is selected to study the behaviour of the women investors while making the financial decisions. The behaviour will be studied with the help of the choice of the investment avenues and their risk-taking capacity. This research will carry out primarily to find out the various options available to the women investors whole doing their financial planning and to find their attitude towards risk and return. The researcher has carefully identified the research gap from the various national and international reviews and finalized the research topic as "**Savings and Investment Behaviour of Women on Financial Investment Avenues in Himachal Pradesh."**

Need for Study

It is a well-known fact that rate of saving is an important economic variable for the economic growth and development. Saving is the foundation for creating investment opportunities. So, with higher saving, investments are more, which creates sufficient of job opportunities. As such this research is carried out to know how the various demographic, social, economic factors that affect the saving and investment behaviour of

women investors which are playing a very important and dominant role in the economic development and prosperity of India. “When women move forward, the family moves, the village moves, and the nation moves” are the words of Pandit Jawaharlal Nehru. The rapid growth of the Indian Economy over the past three decades has led to substantial expansion of India’s middle class. Women are one of the vulnerable groups of the society which plays an instrumental role in all the sectors; production, services, and others. Himachal Pradesh is a small state in North India with recent industrialization and upcoming educational hub and more over Government Oriented Sectors. The state has a good number of women influencing the economy of the Himachal Pradesh. New instruments and packages can be framed exclusively for them which can satisfy the needs of women investors. Through this study the researcher will be tries to find appropriate ways and means of attracting the women investors. This study will be conducted on the working women investors located in the state of Himachal Pradesh. According to census (2011) the total population of Himachal Pradesh is 6,864,602 out of which there are about 3,481,873 men and 3,382,729 women. According to NSSO data the proportion of working women in Himachal Pradesh is 31.9% **(Govt of India 2019).** The research will help in understanding the behaviour of women in investment and will help the researcher in carrying out further research in this area. In view of such considerations since studies are not substantial and hence there is a need to conduct a study.

Research Issues

Moreover, there are very few studies available on investment behaviour of women on financial investment avenues. **Hence following research issues need to be examined**.

What are the reasons for which a women investor is save and invest in a particular investment avenue?

What is the socio-economic profile of women investors in terms of age, occupation, income etc. investing in different financial investment avenues?

What is savings and investment patterns among working women, how savings and investment pattern of women in private sector vs govt. sector, as well as how women in different age group, income group prioritize their savings and investment preferences?

What are the different priorities among social and economic factors motivating women investors to investment and savings?

What are the different factors that influence most the behaviour of women investors to make investment and savings?

Whom they consult before making their decision to savings and investment?

What are the different sources of information being used by women investors to find out the risk and return associated with a financial investment avenue which they are investing?

Are they investing first time or second time?

What are the most opted financial investment avenues exercised by women investors?

What is the level of satisfaction of women investors while investing?

Are they satisfied with return on investment of they have invested in a financial investment avenue?

Objectives of the Study

The basic objective of the research will be to study savings and investment Behaviour of women in households of Himachal Pradesh. For this purpose, the following objectives have been framed.

- To analyze financial literacy among women investors.
- To study the savings and financial investment behaviour of women.
- To examine the factors that influence and motivate women to save and make Investment decisions.
- To identify the determinants of investment behaviour of women.

Research Methodology

Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research has to be scientifically. Various steps

are generally adopted by a researcher in studying the research problem along with the logic behind there. It is necessary for the researcher to know not only the research method/techniques but also the methodology.

Sampling

Assuming that working women will have the surplus funds for investment. The population of women investors in Himachal Pradesh is estimated as 1,079,091 for such a population the sample size of 600 is taken as optimum. By using the formula given by **(Daniel, 1999)**. According to the calculations any sample more than 385 is suitable for this population. Himachal Pradesh is divided into 12 districts which are grouped into three administrative divisions, Shimla, Kangra and Mandi. Multistage random sampling will be used to collect the data for working women. In first phase all three administrative divisions will be taken. Then one district on the basis of ratio of working women to total women in each of three division will be selected for data collection. The data will be collected as per convenient research sampling.

Table 2: Sampling procedure

Total population in Himachal Pradesh	**6864602**
Male	**3481873**
Female	**3382729**
Working women ratio	**31.9%**
Total no of working women in state	**1079091**
Sample size (Daniel 1999)	**385 and above**

$$n = \frac{Z^2 P(1-P)}{d^2}$$

Where n = Sample size, Z= Z statistic for a level of confidence, P= Expected prevalence or Proportion, d= precision (in proportion of one; if 5 percent, d=0.05)

Table 3: Classification of administrative division

Division	District
Kangra division	**Kangra,** Chamba, Una,
Mandi division	**Mandi**, Bilaspur, Hamirpur, Kullu, Laul Spiti
Shimla division	**Shimla**, Solan, Sirmaur, Kinnaur

Statistical Technique

For the present research both primary and secondary data will be used. Primary data will be collected with the help of questionnaire being developed from standardized questionnaire in each division of Himachal Pradesh. While secondary data will be obtained from websites of NSSO, Dept. Of statistical (Govt. of H.P.) and various annual reports, magazines, newspapers etc.to analyze the data statistical methods like, mean, mode, median, percentage, T test, F test, anova test, correlation, regression analysis etc. will be carried out.

Questionnaire Development

The questionnaire will be prepared after reviewing of related studies. A structured questionnaire will be developed by using Cronbach's Alpha Test, which should be covered specific aspects of required information for empirical investigation of hypothetical relationship. Five-point Likert scale will be used to represent the degree of scale of responses.

Expected contributions of the study

The present study is aimed to find out the savings and investment behaviour of women in households. Moreover, it covers study of the investment behaviour of women in state. This could study both working and non-working women investors' behaviour in Himachal Pradesh. From the academic point of view, the scope is confined to revealing investment behaviour with their awareness level as regard various investment avenues, variable judged before investment decision, purpose of investment, knowledge about time value of money, preferred for investment, time period preferred for investment,

percentage of income for savings, sources of investment market, confidence over investment decisions, attitude towards risk and perception about investment decision to be taken. The area of study will be limited to Himachal Pradesh only.

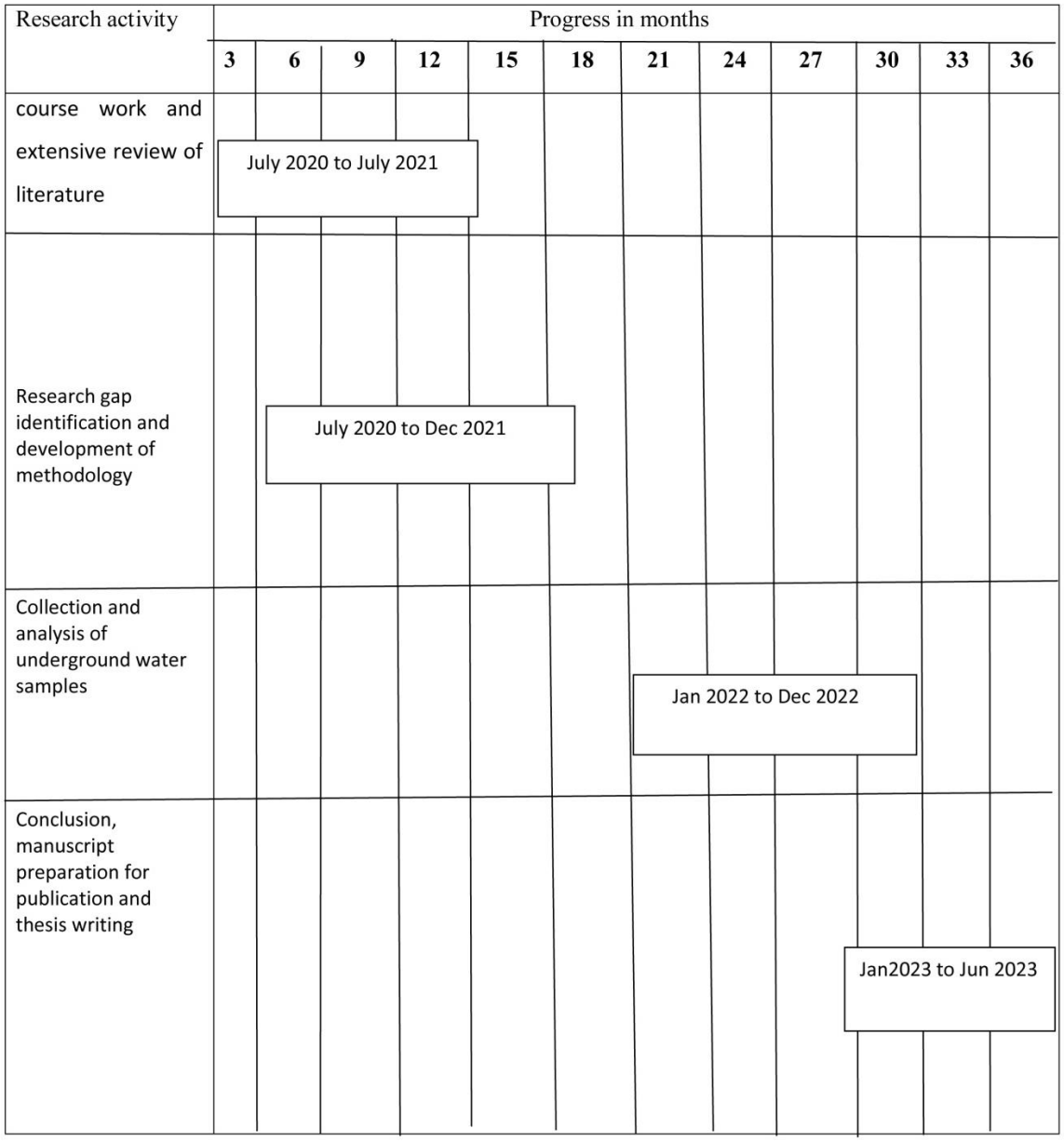
Thesis Outline

The proposed thesis will be organized into following chapter.

Chapter – 1	Background of Research and Introduction.
Chapter – 2	Literature Review.
Chapter –3	Material and Methodology.
Chapter - 4	Results and Discussion.
Chapter –5	Summary and Conclusion.
	Annexure: References, Bibliography

Research plan schedule

The research plan schedule of proposed research titled "**Savings and Investment Behaviour of Women on Financial Investment Avenues in Himachal Pradesh."**is as under.



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CERTIFICATE

(SYNOPSIS APPROVAL CERTIFICATE)

This is to certify that the Synopsis/Revised Synopsis for M.Phil. Dissertation/Ph.D. Thesis titled, **"Savings and Investment Behaviour of Women: An exploratory study"**, submitted by **Mr./Ms. Chandresh** to the Career Point University, Hamirpur (H.P.), India in partial fulfillment of the requirements for the degree of **DOCTOR OF PHILOSOPHY in MANAGEMENT** in the Department of commerce and management studies, School of business and management studies, has been approved by the Research Advisory Committee (RAC) after an Oral Examination of the student on dated 08/12/2021.

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